

INTERIM IRM PROCEDURAL UPDATE

DATE: 02/28/2012

NUMBER: WI-21-0212-0507

SUBJECT: Exempt Organizations

AFFECTED IRM(s)/SUBSECTION(s): 21.3.8

CHANGE(s):

IRM 21.3.8.12.6.1 - Updated the table in (2) to distinguish between authorized and unauthorized callers and added a Caution about disregarding the disclosure date if the organization had already received its revocation notice; clarified in (5) that the assistor need discuss tax periods only when the caller asks about filing a taxable return.

2. Use the following chart to determine to what extent you may reveal information about an organization's revocation:

Caution: The disclosure dates for authorized callers in the table below are based on the best estimate of the mail out date for that cycle's auto-revocation notices (CP 120-A). If an authorized caller makes it clear that the organization has already received a CP 120-A for the current cycle, then treat the organization as revoked *even if the call is prior to the disclosure dates shown below*.

If the status 97 date is	Then you may not reveal the automatic revocation status TO AN AUTHORIZED CALLER until on or after	Then you may not reveal the automatic revocation status TO AN UNAUTHORIZED CALLER until on or after
201104 or earlier	June 9, 2011	N/A
201105	July 13, 2011	N/A
201106	August 10, 2011	N/A
201107	September 7, 2011	N/A
201108	October 5, 2011	N/A
201109	November 9, 2011	N/A
201110	December 7, 2011	N/A
201111 and 201112	February 8, 2012	N/A
201201	February 29, 2012	March 19, 2012

201202	April 4, 2012	April 16, 2012
201203	May 2, 2012	May 21, 2012
201204	May 30, 2012	June 18, 2012
201205	July 4, 2012	July 16, 2012
201206	August 1, 2012	August 20, 2012
201207	August 29, 2012	September 17, 2012
201208	October 3, 2012	October 15, 2012
201209	October 31, 2012	November 19, 2012
201210	November 28, 2012	December 17, 2012

5. If the caller asks about filing a taxable return, explain that the requirement begins with the effective date of revocation.

IRM 21.3.8.12.17(4) - Updated the Exception to show a separate procedure for cases in status 37 with specialist number 31850 from those showing specialist number 31950.

4. Most cases suspended by determination specialists working in the Cincinnati POD are handled by tax examiners in the Adjustments Unit. They have the authority to grant user fee extensions in 30-day increments and can answer minor questions about the information being requested by the determination specialist. Complex technical questions are referred to the determination specialist who is developing the case. Refer authorized callers representing organizations in status 37 and being developed by a determination specialist in Cincinnati POD to the Adjustments Unit (513-263-4453). The organization may also fax its request for a user fee extension to 513-263-3522.

Caution: Do not give this telephone or fax number to any caller except those representing organizations whose applications are in status 37 in the Cincinnati POD.

Exception: If the case is in status 37 with specialist number 31850, explain to the caller that the determination specialist has proposed a favorable closure but must wait for the organization to appear on the auto-revocation list, which currently updates on the third Monday of the month. The organization should receive its determination letter thereafter unless the case is selected for mandatory review. If the case is in status 37 with specialist number 31950, prepare a referral to the Adjustments Unit (fax 513-263-4330). A designated specialist in EO Group 7822 will respond to these referrals.

IRM 21.3.8.12.24.3 - Completely revised the subsection to provide procedures for rejected Forms 990-N that require retransmission, as opposed to forms that cannot be input because the submitter receives an error message upfront.

1. When a caller states that the organization was not able to submit its Form 990-N or that the Form 990-N rejected, the assistor must find out at what stage of input the problem occurred in order to determine the correct action to take to resolve the problem. Unless the caller has told you precisely what the error or reject message was, ask the caller whether they received an error message as soon as they entered their organization's EIN or whether they were able to input the entire Form 990-N and then received a reject email at some point thereafter.
2. If the organization received an error message as soon as they input their EIN, it could be for one of the following reasons:

Possible Reason	Resolution
The EIN is not in the NAP.	See paragraph (5) in this subsection.
The organization has a foundation code of 02, 03 or 04.	See paragraph (6) in this subsection.
The organization has any of the following subsection codes: 01, 20, 21, 23, 24, 40, 81, 82, 90 or 92.	See paragraph (8) in this subsection.
There is a blank FYE date.	See paragraph (11) in this subsection.

3. If the organization was able to input the entire Form 990-N and then received a reject email at some point thereafter, verify that the organization's information on IDRS shows that a Form 990-N should be able to be submitted.
 - o If yes, then instruct the caller to email Urban Institute at epostcard@urban.org OR reply to the reject email OR call the e-Help Desk at 866-255-0654 and request that the postcard be retransmitted.
 - o If no (but the organization is otherwise eligible to submit a Form 990-N), make any necessary updates and tell the caller to attempt retransmission in four weeks using one of the three methods described above.

EXAMPLE: If the Form 990 filing requirement is not displaying on IDRS (EO statuses 01, 02, 32 and 36), give the organization a 990-02 filing requirement and tell the caller she/he should be able to request retransmission in four weeks.

REMINDER: Many statuses will not allow a Form 990-N to be submitted and should not be updated by the telephone assistor. If the status is not addressed elsewhere in this IRM and/or in Document 6379, *Exempt Organizations Management Information Systems Codes*, consult with your lead for guidance.

- If no (and the organization is not eligible to submit a Form 990-N), explain to the caller why the organization is not eligible and provide additional guidance as applicable.
- 4. **Form 990-N Error Messages** — The following paragraphs provide additional information about specific error messages the caller may cite.
- 5. "The employer identification number (EIN) 'xx-xxxxxxx' was not found. You may have entered the EIN incorrectly. Please re-enter the EIN and try again. If the EIN is correct, call IRS Customer Account Services at 877-829-5500 for assistance."
 - If the EIN is correct, but the system is not allowing you to file the e-Postcard, it is generally because an EO submodule does not exist. See IRM 21.3.8.12.24.2, "Rejected Forms 990-N and Collecting Data to Establish an EO Submodule for Organizations without a Submodule and for Organizations with a Pending Application."

NOTE: The submitter may receive this message if the submodule being added is still pending on Master File. Check ENMOD for a pending (PN) TC 016. If found, tell the caller to wait an additional four weeks and then attempt to submit the Form 990-N again. If you do not find a pending TC 016 or if the TC 016 unposted (and there is no EO submodule on INOLES), apologize to the caller and take the data sheet information again. Tell the caller to wait eight weeks and then resubmit the Form 990-N.

- If the EIN is incorrect, research for the correct one. See IRM 21.3.8.12.24.2, "Rejected Forms 990-N and Collecting Data to Establish an EO Submodule for Organizations without a Submodule and for Organizations with a Pending Application," for additional information.
- 6. "IRS records indicate that your organization is a private foundation..." The message explains that a private foundation must file Form 990-PF. See IRM 21.3.8.12.5.4, "Change in Foundation Classification," if the caller states that the organization is not a private foundation.
- 7. "Your tax year has not ended. You cannot file the e-Postcard until after your tax year ends on mm/dd/yyyy."

NOTE: Generally, an organization may submit its Form 990-N for a particular period up until the day the following fiscal period ends, at which point the system resets for the next filing period (for example, an organization may submit a Form 990-N for the period that ended September 30, 2009, up until September 30, 2010, after which it will no longer be able to submit for 200909 but will only be able to submit a Form 990-N for 201009).

- 8. "IRS records indicate that your organization is not eligible to file Form 990-N (e-Postcard) due to the Internal Revenue Code that governs organizations of your type." This will be an infrequent error message.

- An organization will get this message if its subsection code is one of the following:

Subsection Code	Description
01	Section 501(c)(1) – U.S. government instrumentalities
20	Section 501(c)(20) – Group legal services plans NOTE: Such plans lost their exemption after June 30, 1992.
21	Section 501(c)(21) – Black lung trusts
23	Section 501(c)(23) – Pre-1880 Armed Forces organizations
24	Section 501(c)(24) – ERISA sec. 4049 trusts
40	Section 501(d) – Religious and apostolic organizations
81	Section 529 – Qualified tuition programs
82	Section 527 – Political organizations
90	Section 4947(a)(2) – Split-interest trusts
92	Section 4947(a)(1) – Charitable trusts treated as private foundations

9. "The system found an existing e-Postcard for yyyy (mm/dd/yyyy through mm/dd/yyyy). Click on the 'Go To Control Panel' button to edit the existing e-Postcard."
10. "Your organization has already filed an e-Postcard for yyyy (mm/dd/yyyy through mm/dd/yyyy). The system will not accept an amended e-Postcard. You can make corrections or update your information when you file your next e-Postcard, which will be due after mm/dd/yyyy."

NOTE: This error message (and the guidance provided) assumes that the organization has knowingly attempted to submit a second Form 990-N covering the same period as that on its first submission. An organization will receive this message if it attempts to resubmit a Form 990-N when it should be requesting retransmission of a previously-submitted Form 990-N (refer to paragraph (3) above in this subsection). See IRM 21.3.8.12.24.2, "Rejected Forms 990-N and Collecting Data to Establish an EO Submodule for Organizations without a Submodule and for Organizations with a Pending Application," if the caller states that some other organization submitted its Form 990-N using the EIN of the caller's organization.

11. "The system is not able to determine your fiscal year. You may not proceed with this filing." If the caller received this error message when he/she attempted to input a Form 990-N:
 1. Research the EIN on IDRS and confirm that the organization is showing an EO submodule (usually in status 31 or 40) and that the fiscal year month displayed is 00.

NOTE: The organization will not show a 990-02 filing requirement if the organization is in status 31 or 40. IDRS is programmed so that statuses 31 and 40 do not show an EO filing requirement and no 990 filing requirement is input when EO Entity adds these submodules. **DO NOT ATTEMPT TO ADD A 990 FILING REQUIREMENT BECAUSE IDRS WILL NOT ACCEPT IT.** The Form 990-N process allows the e-postcard to post, even though an EO filing requirement does not display on IDRS.

2. Verify the organization's correct fiscal year month and update IDRS accordingly using ENREQ/BNCHG.
3. Apologize to the caller for the inconvenience and tell him/her that the organization should be able to submit its Form 990-N in four weeks.
12. See IRM 21.3.8.12.24.2, "Rejected Forms 990-N and Collecting Data to Establish an EO Submodule for Organizations without a Submodule and for Organizations with a Pending Application," and the subsequent subsections if the caller's issue cannot be resolved using the information above. If you are still unable to resolve the problem, prepare a Form 4442 referral to your Lead.
13. **Form 990-N Warning Messages** — There are a number of warning messages that you may get, but for the most part, these are self explanatory. For example, if the state and zip code do not match, you will get a message indicating this and will be told to enter the correct zip code or state. Also, if you failed to complete a required field, you will get an error message and you must complete the field before you can submit the e-Postcard.
14. **Form 990-N Filing System Problems** — If the caller is able to access the e-Postcard filing system but is experiencing technical difficulties with the system, he should:
 - Call the e-help Desk at 866-255-0654, or
 - Go to the e-Postcard filing system at <http://epostcard.form990.org> , click on "Technical Support" and send an email or technical support request.